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C O N F I D E N T I A L SECTION 01 OF 02 BRASILIA 001112

SIPDIS

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TAGS: PGOV PREL EFIN EAID KWBG OPDC IS

SUBJECT: BRAZIL MORE SUPPORTIVE OF U.S. ARAB-ISRAELI NEGOTIATIONS APPROACH BUT NO AID COMMITMENTS YET

Classified By: Charge D'Affaires Lisa Kubiske for reasons 1.4 (b) and (d).

11. (C) Summary. The Brazilian Ministry of Foreign Affairs (MRE or Itamaraty) has no immediate response to our request in ref A to provide \$10 million in direct budget support to the Palestinian Authority (PA). The relevant MRE department heads were receptive to the idea of a further Brazilian contribution but noted that the Brazilian Congress still has not approved the \$10 million that Itamaraty promised the PA for Gaza reconstruction in March. MRE officials who have previously criticized the U.S. approach to Arab-Israeli negotiations offered praise for our current strategy, especially increased discussions with Syria and pressure on Israel to halt construction of settlements. Brasilia wants to raise its profile on Israel-Palestine issues generally, and intends to host separate visits from Israeli President Shimon Peres and Palestinian President Mahmoud Abbas, both in November. September 4 newspaper reports also suggested that a long-planned visit by Iranian President Ahmadinejad might be scheduled for December. MRE also asked for our help in setting up a a meeting between between Special Envoy Mitchell and Brazil's top envoy on Middle East issues, Ambassador Affonso Ouro Preto. End summary.

Enthusiastic but Non-Committal

¶2. (C) In a September 3 meeting with poloff at Itamaraty, Middle East division directors Claudio Nascimento (Israel-Palestine, Turkey, Syria) and Roberto Abdalla (Iran, Iraq, Gulf States), discussed at length Arab-Israeli relations and their desire for Brasil to have a larger role -- but could not give an immediate answer to the question in reftel A. (They said that the Minister had received reftel letter in early August, but that their section had not become aware of it until recently.) While Nascimento in particular sounded enthusiastic about the concept of providing funding for the PA in advance of peace negotiations, they acknowledged that an earlier \$10 million promised for Gaza reconstruction (ref B) by Foreign Minister Celso Amorim in advance of the March 31 Arab-South American summit still had not been authorized by Congress. No one in either division knew anything about the status of the \$10 million in Congress. Later in the day, poloff called the Senate Foreign Affairs and National Defense Committee and learned from staff that the legislation still has not been assigned a lead sponsor ("relator") -- meaning that it would take weeks at a minimum before the funding could be approved and released.

 $\underline{\mathbf{1}}$ 3. (C) In contrast to previous meetings with the Embassy, in which Itamaraty has generally criticized U.S. policy in the Middle East (refs B, C), feedback for the overall U.S. approach to Israel-Palestine issues was quite positive. specifically praised President Obama and Special Advisor Mitchell for taking a different and hands-on approach. Nascimento, who has emphasized in previous meetings the importance of better U.S. relations with Syria as part of Arab-Israeli negotiations, noted the increased level of outreach to Damascus in recent months. MRE hoped to learn more about the specifics of our policy toward Syria. (Note: Brazil's Arab community is largely of Christian Syrian and Lebanese origin. End Note.) Nascimento also cited our emphasis on asking Israel to halt construction of settlements 'as a really noticeable and positive change." The directors also latched on to Hamas chief Khalad Meshal's statement last month that it could accept a Palestinian state based on 1967 borders as a hopeful sign for future talks.

Raising the Brazilian Profile

14. (C) While non-committal about PA funding, Nascimento mentioned ways in which Brazil is trying to raise its profile on Arab-Israeli issues. In addition to a projected visit by Peres on November 11, MRE is also in the process of organizing a visit by Abbas two weeks later. Ambassador Ouro Preto, Brazil's top envoy to the Middle East, is attempting

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to meet with both men before the prospective visits. The original idea was to meet with Peres and Abbas at a planned Moscow conference but, since Itamaraty is not sanguine about propects for that conference happening anytime soon, Ouro Preto plans to visit them in their respective offices. There are no plans on the immediate horizon for President Lula to reschedule his trip to Israel-Palestine, which was canceled earlier this year for security reasons.

15. (C) Nascimento also requested assistance in setting up a meeting between Ambassador Ouro Preto and Special Envoy Mitchell. He said that DAS Kelly's office had reached out to the Brazilian Embassy in Washington about setting up a meeting but that no further contact has been made recently. Such a meeting could be held on the margins of the UN General Assembly in late September, he said. No specific subject matter for the meeting was mentioned.

Comment

16. (C) The guarded enthusiasm expressed by Itamaraty about the U.S. role in the Arab-Israeli peace process represents a welcome change of pace, but it will be difficult to convert this into immediate deliverables from the GOB. The delay in approving the \$10 million for the PA promised in March does not preclude additional Itamaraty commitments for additional budget assistance but the March commitment is already an extremely large contribution for Brazil and any new contribution will also have to be cleared by Congress. Brazil is determined to play a larger role, however, and additional contact with the GOB on this issue would be helpful both to inform and influence what is still a relatively unrefined policy toward the region and the Israel-Palestine peace process in particular. End Comment.

KUBISKE